Does the Chinese Diaspora Speed Up Growth in Host Countries?

By Jan Priebe\textsuperscript{a} and Robert Rudolf\textsuperscript{b}

\textsuperscript{a} Department of Economics, University of Goettingen, Germany
\textsuperscript{b} Division of International Studies, Korea University
Anam-dong, Seongbuk-gu, Seoul 136-701, South Korea
Tel. +82-2-3290-2413, rrudolf@korea.ac.kr

Abstract:

Using a new panel data set on overseas Chinese residing around the world, this article attempts to estimate the impact of the Chinese diaspora on economic growth in host countries. In Barro-type regressions, our findings suggest that, \textit{ceteris paribus}, initial levels of overseas Chinese in 1970 substantially help to predict economic growth of host countries over the subsequent 40-year period. Results are confirmed when using dynamic panel data techniques for a four-decade panel from 1970 to 2010. Among the growth channels examined, overseas Chinese seem to have promoted trade openness, trade and investment relations with China, as well as educational quality.

\textit{JEL}: O40, F22.

\textit{Keywords}: Economic growth; overseas Chinese; Diaspora; Coethnic networks; Migration.